WHAT DONORS SHOULD KNOW ABOUT

Making Gifts from IRAs

Qualified charitable distributions, or QCDs, allow donors who are at least 70-1/2 years old to give charities up to $100,000 a year directly from their IRAs without it counting as taxable income. You don’t need to be able to itemize your deductions to be able to take advantage of this charitable benefit.

QCDs count toward your required minimum distribution - the amount of money you must withdraw from your IRA each year after reaching age 72.

You cannot count a QCD gift as a charitable deduction on your federal taxes even if you itemize; instead, the QCD is a dollar-for-dollar reduction against income. That’s a win-win!

The distributions can’t go to donor-advised funds or life-income gifts, such as charitable remainder trusts or gift annuities, but every other type of fund at Marion Community Foundation is available.

Donors are not allowed to get anything in return for a QCD gift, such as a meal or tickets to an event.

QCD gifts can be made only from IRAs. To give retirement assets in a 401(k) or other vehicles, donors must first roll those funds over into a qualified IRA. Then you can direct the fund administrator to transfer money to a charity.

State laws about charitable deductions and how QCDs are handled vary. Consult an adviser.

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